

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
JUNE 9, 1994, 10:00 AM EST

The Members of the Department of Financial Institutions met at 10:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, June 9, 1994. Members present were Messrs. Mark Hasten, Chairman, presiding, W. Paul Wolf, Tony Zaleski, R. Douglas Grant, Norman Lowery, and Ms. Dee Godme. Also present from the Department were Charles W. Phillips, Director; Kirk J. Schreiber, Bank Analyst; Eric Roberts, Bank Analyst; Randall L. Rowe, Bank Supervisor; James M. Cooper, Deputy Director, Depository Institutions; John P. Goddard, Deputy Director, Non-Depository Institutions; Charles T. Stumpf, Deputy Director, Administration Division; Mark K. Powell, Supervisor, Credit Unions; Robert E. Haler, Supervisor, Consumer Credit Division; Mark K. Tarpey, Division Coordinator, Consumer Credit Division; and Janice L. Davis, Administrative Assistant. Board Member Daniel Leitch was absent.

I. PUBLIC SESSION

- A.) Attendance
- B.) Date of next meeting: July 14, 1994, at 10:00 a.m. EST.
- C.) A motion was made for approval of the minutes of the meeting held May 19, 1994, by Mrs. Godme and was seconded by Mr. Zaleski. The minutes were unanimously approved.

DIVISION OF BANKS AND TRUST COMPANIES

1) **Town Financial Corporation, Hartford City, Blackford County, Indiana**

Mr. Eric D. Roberts, Senior Bank Analyst, presented the application of Town Financial Corporation to acquire 100% control of Pacesetter Bank of Hartford City, Hartford City, Blackford County, Indiana, pursuant to the provisions of IC 28-2-14. It was determined that the Members will need additional information concerning this application before they can make a decision concerning its approval. The staff of the Department was instructed to obtain this information and reschedule items #1 and #2 for the July 14, 1994, Members Meeting.

2) **Town Financial Corporation, Hartford City, Blackford County, Indiana**

Town Financial Corporation (Town) filed an application for approval to acquire 100% control of Pacesetter Bank of Montpelier, Montpelier, Blackford County, Indiana, pursuant to the provisions of IC 28-2-14. This item was also rescheduled for the July 14, 1994, Members Meeting.

3) **Indiana Federal Corporation, Valparaiso, Porter County, Indiana**

This application was presented by Mr. Eric D. Roberts, Senior Bank Analyst. Indiana Federal Corporation (IFC) has applied for approval for a change of control of American Bancorp, Inc., Hammond, Lake County, Indiana (ABI), and its wholly-owned subsidiary, American State Bank of North Judson, Indiana, North Judson, Starke County, Indiana (ASB). Indiana Federal is a savings and loan holding company, which owns 100% of the stock of Indiana Federal Bank For Savings of Valparaiso. Indiana Federal plans to organize a subsidiary company which will be merged into American Bancorp, Inc. Immediately after consummation of the merger of the newly formed subsidiary, American Bancorp, Inc. will be merged into Indiana Federal. American Bancorp, Inc. will cease to exist as a separate entity and Indiana Federal will momentarily be a holding company for both Indiana Federal and American State Bank.

After consummation of the liquidation, American State Bank will be merged into Indiana Federal. Upon the merger of American State Bank and Indiana Federal, the existence of American State Bank will cease and Indiana Federal will be the surviving entity and will continue doing business and succeed to all of the assets and liabilities of the American State Bank. Indiana Federal does not plan to operate the American State Bank as a separately controlled entity and will not go forward with the proposed transaction unless the merger of American State Bank and Indiana Federal can be consummated.

It was the staff's opinion that Indiana Federal is qualified by competence, experience, character, and financial responsibility to control and operate the American Bancorp, Inc. and the American State Bank. The interests of the stockholders and creditors of American Bancorp, Inc. and of the depositors and other creditors of the American State Bank will not be jeopardized by the proposed change of control.

The staff recommended approval of the application, with the following conditions: 1) that the consummation of the proposed transaction take place according to the terms specified in the agreement and plan of merger and reorganization; and 2) that there be a stipulation that the Indiana Federal Corporation will not operate the American Bancorp, Inc. or the American State Bank as separate entities. A motion was made for approval of this application by Mr. Grant and seconded by Mr. Lowery, and was unanimously passed.

DIRECTOR'S COMMENTS AND REQUESTS

- 1) The staff presented the proposed fee schedule for the fiscal year ending June 30, 1995, for the Consumer Credit Division, Bank Division, and Credit Union Division. Mr. Charles T. Stumpf, Deputy Director, Administrative Division, explained the proposed fee schedule, which is attached and made a part of the official record. Mr. Wolf made a motion to approve the fee schedule and was seconded by Mrs. Godme. The fees were unanimously approved.
- 2) Director Phillips deferred to James M. Cooper, Deputy Director, Depository Institutions, to give a report on his visits to the congressional offices of Lee Hamilton, Jill Long, Frank McCloskey, Steve Buyer, and Dan Coats. Mr. Cooper reported that he spoke to representatives of these offices concerning the issues of consolidation of federal regulators, interstate branching, and the bankruptcy code. He informed the Members that his visits were positive and were done in conjunction with the Conference of State Bank Supervisors, who had representatives from various member states visiting their congressional delegation regarding these same issues.
- 3) The Director advised the Members of actions taken pursuant to delegated authority, which were as follows:

BANK & TRUST DIVISION

- 1) TOWN FINANCIAL CORPORATION, HARTFORD CITY, BLACKFORD COUNTY, INDIANA
An application has been filed for permission to establish an interim bank to be known as PBHC Merger Bank. PBHC Merger Bank will be a wholly-owned subsidiary of Town Financial Corporation. The interim bank will be located at 1515 North Walnut Street, P.O. Box 659, Hartford City, Blackford County, Indiana. The interim bank will never be operational and is to facilitate the pending acquisition between Town Financial Corporation and Pacesetter Bank of Hartford City, Blackford County, Indiana. The request was approved by the Director under Delegated Authority on June 2, 1994.
- 2) TOWN FINANCIAL CORPORATION, HARTFORD CITY, BLACKFORD COUNTY, INDIANA
An application has been filed for permission to establish an interim bank to be known as PBOM Merger Bank. PBOM Merger Bank will be a wholly-owned subsidiary of Town Financial Corporation. The interim bank will be located at 110 South Main Street, P.O. Box 38, Montpelier, Blackford County,

Indiana. The interim bank will never be operational and is to facilitate the pending acquisition between Town Financial Corporation and Pacesetter Bank of Montpelier, Blackford County, Indiana. The request was approved by the Director under Delegated Authority on June 2, 1994.

- 3) NEW INDEPENDENT BANCSHARES, INC., NEW WASHINGTON, CLARK COUNTY, INDIANA
An application has been filed for permission to establish an interim bank to be known as NW Bank. NW Bank will be a wholly-owned subsidiary of New Independent Bancshares, Inc. The interim bank will be located at 402 East Main Street, P.O. Box 10, New Washington, Clark County, Indiana. The interim bank will never be operational, and will be used to facilitate the formation of a one-bank holding company to be known as "New Independent Bancshares, Inc." As a result of a proposed merger between NW Bank and The New Washington State Bank, New Independent Bancshares, Inc. will acquire 100% of the issued and outstanding shares of the common and preferred stock of The New Washington State Bank. The request was approved by the Director under Delegated Authority on June 2, 1994.
- 4) LAKE CITY BANK, WARSAW, KOSCIUSKO COUNTY, INDIANA
The bank has applied to the Department for approval to establish a branch banking office to be located at 22050 State Road 120, Elkhart, Elkhart County, Indiana. The branch will be called "Elkhart East." This will be the applicant's twenty-fourth branch. The request was approved by the Director under Delegated Authority on June 2, 1994.
- 5) FIFTH THIRD BANK OF CENTRAL INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA
The bank has submitted a request to establish a branch banking office to be known as the "31 & County Line Banking Center." The branch will be located at 2020 East County Line Road, Indianapolis, Marion County, Indiana. This will be the applicant's 16th branch. The request was approved by the Director under Delegated Authority on June 2, 1994.

CREDIT UNION DIVISION

- 1) INDIANAPOLIS POWER & LIGHT COMPANY EMPLOYEES CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Employees of Indianapolis Power & Light Co. Employees CU - Indianapolis - 5 members

The request was approved by the Director under Delegated Authority on May 6, 1994.

- 2) NAVAL AVIONICS EMPLOYEES CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Eastgate Chrysler-Plymouth, Inc. - Indianapolis - 85 members

Gene Beltz Shadeland Dodge - Indianapolis - 50 members

The request was approved by the Director under Delegated Authority on May 23, 1994.

3) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Versatile Tool & Die - Elkhart - 10 members
R. Romig Plumbing & Heating - New Carlisle - 6 members
Employees of the City of Knox - Knox - 23 members
Transportation Resources & Management, Inc. - Columbia City - 50 members
Indian Creek Christian Church - Indianapolis - 750 members
Education Financial Services - Indianapolis - 172 members
Indiana Federation of Teachers - Indianapolis - 7,005 members
Sigma Theta Tau, Lambda Epsilon Chapter of University of Indpls - Indpls - 200 members
Del Monte Foods - Plymouth - 160 members
MCS Consultants Corporation - Indianapolis - 12 members
Gull Gospel Community Church - Greencastle - 12 members
Contech Construction Products, Inc. - South Bend - 12 members

The request was approved by the Director under Delegated Authority on May 23, 1994.

There being no further business to come before the Members, the meeting was adjourned.

APPROVED:

ATTEST:

Mark Hasten, Chairman

J. Philip Goddard, Secretary